

**ANDHRA REMAINS NO. 1, GUJARAT SLIPS**

# UP jumps ten places to rank second in ease of doing business

User feedback key data in marking reforms

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UTTAR PRADESH made its entry into the top ranks of states that have become better destinations to do business in 2019, jumping 10 positions to displace Telangana as the second best performer, shows a government assessment released Saturday.

The state rose up the ranks based on its ability to better implement a range of reforms ranging from single-window clearances to easier access to information. Factoring in user feedback to check progress on

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## TOP GAINERS

| State             | Rank in 2017-18 | Rank in 2019 |
|-------------------|-----------------|--------------|
| Uttar Pradesh     | 12              | 2            |
| Himachal Pradesh  | 16              | 7            |
| Delhi             | 23              | 12           |
| Lakshadweep       | 34              | 15           |
| Andaman & Nicobar | 31              | 22           |

# Uttar Pradesh jumps 10 places to rank second in ease of doing business

reforms was a key change in the methodology this year and some states that slipped attributed their low ranks to that.

Andhra Pradesh continued to hold its fort at the top, while Telangana, Madhya Pradesh and Jharkhand ranked third, fourth and fifth respectively. Tripura, Sikkim and Odisha placed at the bottom, according to the fourth State Business Reform Action Plan assessment report.

Some top industrial states saw little or no change in their ranking — Maharashtra retained its 13th rank, while Tamil Nadu moved up to 14th place from the 15 in the 2018 assessment.

Gujarat dropped five places to rank 10th in the latest assessment, while Haryana, in one of the steepest falls, was knocked down to 16th from its earlier rank of No. 3.

States were ranked based on their performance on 180 reforms initiatives across 45 business regulatory areas, including easy access to information, paying taxes, obtaining utility permits, contract enforcement, labour and construction permit enablers, single-window approval systems and land administration.

States had to upload evidence for verification and provide a sufficient list of users that would allow "at least 20

| TOP LOSERS |                 |              |
|------------|-----------------|--------------|
| State      | Rank in 2017-18 | Rank in 2019 |
| Haryana    | 3               | 16           |
| Karnataka  | 8               | 17           |
| Bihar      | 18              | 26           |
| Kerala     | 21              | 28           |
| Odisha     | 14              | 29           |

respondents" to verify that each action point had been implemented, said an official.

Indeed, one "major change" in the current rankings is the government's decision to link the state's performance "exclusively" to user feedback, said Department for Promotion of Industry and Internal Trade secretary Guruprasad Mohapatra.

This means that, unless the impact of the reform is felt on ground, it is not accepted. Over 35,000 users were contacted to gather this feedback.

"Uttar Pradesh or states that have done well have done so because they have completed most of the reforms compared to other states. They have uploaded the evidence on the portal and they have given us the user list for verification to get user feedback," an official told The Indian Express.

The UP government, in a release, said it has implemented 186 of the reforms suggested by DPIIT, underlining that its

"Nivesh Mitra" single-window portal was also "one of the main catalysts" for its rankseeing a jump.

"Some states that did not fare well, though they may have implemented the (reforms), did not give us the appropriate number of users for us to verify and take feedback," an official said. "There should be at least 20 respondents, only then we give a yes (to that specific reform)."

States that have lost out on rankings are likely to take it up with DPIIT. Officials in Haryana and Gujarat said that there may have been gaps in monitoring feedback but that shouldn't mean a loss in rankings.

Odisha dropped 15 positions to rank 29 in 2019 from 15 in 2018. Its Energy, Industries and MSME minister, Dibya Shankar Mishra, told The Indian Express that he does not accept these rankings and would register a protest with

the Ministry.

He said that Odisha had implemented 180 of 187 reform action points recommended by DPIIT.

"The evidence of implementation was submitted by the State and evidence for all 180 reforms was also approved by DPIIT. It is understood that the survey agency appointed by DPIIT could not complete the feedback survey with the industries and MSMEs in the State and, therefore, reforms implemented by the State could not be accounted for," Mishra said.

Lakshadweep, Delhi and UP saw the most improvement, moving up the ranks by 19, 11 and 10 positions respectively.

Himachal Pradesh and Andaman & Nicobar improved by nine ranks each. Lakshadweep placed 15th in the overall state ranking in 2019, while Delhi, Himachal Pradesh and Andaman & Nicobar ranked 12th, 7th and 22nd respectively.

"The rankings per se don't necessarily reflect that one (state) is far superior or better to the other. It reflects the effort that different states are doing towards bettering their systems, their processes, and it's a competitive ranking," said Piyush Goyal, Minister of Commerce and Industry.